

The Regulations applicable to the trade-mart at Yatung, under the Anglo-Chinese Agreement of 1893, shall, subject to such amendments as may hereafter be agreed upon by common consent between the British and Tibetan Governments, apply to the marts above mentioned.

In addition to establishing trade-marts at the places mentioned, the Tibetan Government undertakes to place no restrictions on the trade by existing routes, and to consider the question of establishing fresh trade-marts under similar conditions if development of trade requires it.

III.—The question of the amendment of the Regulations of 1893 is reserved for separate consideration, and the Tibetan Government undertakes to appoint fully authorized delegates to negotiate with representatives of the British Government as to the details of the amendments required.

IV.—The Tibetan Government undertakes to levy no dues of any kind other than those provided for in the tariff to be mutually agreed upon.

V.—The Tibetan Government undertakes to keep the roads to Gyantse and Gartok from the frontier clear of all obstruction and in a state of repair suited to the needs of the trade, and to establish at Yatung, Gyantse, and Gartok, and at each of the other trade-marts that may hereafter be established, a Tibetan Agent, who shall receive from the British Agent appointed to watch over British trade at the marts in question any letter which the latter may desire to send to the Tibetan or to the Chinese authorities. The Tibetan Agent shall also be responsible for the due delivery of such communications, and for the transmission of replies.

VI.—As an indemnity to the British Government for the expense incurred in the despatch of armed troops to Lhasa, to exact reparation for breaches of treaty obligations, and for the insults offered to and attacks upon the British Commissioner and his following and escort, the Tibetan Government engages to pay a sum of pounds five hundred thousand—equivalent to rupees seventy-five lakhs—to the British Government.

The indemnity shall be payable at such place as the British Government may from time to time, after due notice, indicate, whether in Tibet or in the British districts of Darjeeling or Jalpaiguri, in seventy-five annual instalments of rupees one lakh each on the 1st January in each year, beginning from the 1st January, 1906.

VII.—As security for the payment of the above-mentioned indemnity, and for the fulfilment of the provisions relative to trade-marts specified in Articles II., III., IV., and V., the British Government shall continue to occupy the Chumbi Valley until the indemnity has been paid, and until the trade-marts have been effectively opened for three years, whichever date may be the later.

VIII.—The Tibetan Government agrees to raze all forts and fortifications and remove all armaments which might impede the course of free communication between the British frontier and the towns of Gyantse and Lhasa.

IX.—The Government of Tibet engages that, without the previous consent of the British Government,—

- (a) No portion of Tibetan territory shall be ceded, sold, leased, mortgaged or otherwise given for occupation, to any Foreign Power ;
- (b) No such Power shall be permitted to intervene in Tibetan affairs ;
- (c) No Representatives or Agents of any Foreign Power shall be admitted to Tibet ;
- (d) No concessions for railways, roads, telegraphs, mining or other rights, shall be granted to any Foreign Power, or to the subject of any Foreign Power. In the event of consent to such concessions being granted, similar or equivalent concessions shall be granted to the British Government ;
- (e) No Tibetan revenues, whether in kind or in cash, shall be pledged or assigned to any Foreign Power, or to the subject of any Foreign Power.